

TITLE: CHILD WELFARE MANUAL
SECTION 4: OUT-OF-HOME CARE
CHAPTER 11: FINANCIAL SUPPORT PLANNING
ATTACHMENT E: OVERPAYMENT OF MAINTENANCE COSTS
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OVERPAYMENT OF MAINTENANCE COSTS

NOTE: To avoid using this process, it is important that the SS-61 be completed immediately upon a child's need for another placement. For new placements which occur around the end of the month, it would be best to plan the new placement so that overpayment actions are not necessary.

1. Individual child overpayment to alternative care providers:

A. To recoup the overpayment the following procedure will be followed.

- 1) If the county discovers the overpayment, it contacts Children's Services System Unit (CSSU) to start the recoupment process.
- 2) If CSSU is notified of the overpayment first, it contacts the county contact person to initiate the recoupment process.
- 3) Local appropriate staff contact the vendor to inform of the overpayment.
- 4) If vendor has or will have pending or future payments, he will be informed of the amount to be deducted, based upon the schedule below.
- 5) CSSU will deduct the amount owed.
- 6) Debiting will generate a letter to the provider at the time of payroll which will identify the amount debited and the original amount owed. This process will be repeated each month until the entire amount owed is recouped.

B. If the provider continues to receive payments, CSSU will deduct the amount owed from these future payments using the following guidelines.

Under \$500	-	Debited on the next check for the total amount of overpayment.
\$500 - \$1,500	-	Debited by prorating the total amount due over three months.
\$1,500 - \$3,000	-	Debited by prorating the total amount due over twelve months.
\$3,000 - \$5,000	-	Debited by prorating the total amount due over six to twelve months.

Extraordinary amounts (i.e., over \$5,000) - Arrangements for a monthly amount will be made and a report submitted to CSSU via an IOC.

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2. For providers who will not be receiving payments within the next 90 days:

A. Arrangements will need to be made for repayment using the BF-133 and the following guidelines.

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|-----------------|---|---|
| Under \$500 | - | Payment within 30 days of the total amount of overpayment. |
| \$500 - \$1,500 | - | Payment prorated over five months (1/5 of the total amount due each month). |
| Over \$1,500 | - | Payment prorated over twelve months (1/12 of the amount due each month). |

Extraordinary amounts (i.e., over \$5,000) - Arrangements for a monthly amount will be made and sent to CSSU via an IOC.

B. The following process should occur:

- 1) Children's Division staff uses the above guidelines to negotiate a signed repayment plan with the provider. The plan is approved by supervisor, and submitted to CSSU for monthly debiting.
- 2) Upon receipt of the money through a check or a money order, the BF-133 is completed and submitted to DBF.
- 3) Complete a BF-133 and submit to DBF when vendor returns a check for cancellation.
- 4) For providers refusing to reimburse the Division when an overpayment has been made, the following process will be used.
 - a. The Children's Service Worker makes contact, at which time the provider refuses payment.
 - b. The worker informs County Director that payment has been refused, and provides information regarding the amount of repayment due.
 - c. The County Director sends a letter to the provider requesting payment within thirty days from the date of the letter.
 - d. If payment is not received within the thirty day period, referral is made by the County Director to the Division Of Investigation with notification to the Area Director that such action has occurred.

MEMORANDA HISTORY: